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ABSTRACT

Programs in Michigan, North Carolina, and Oklahoma, under the Vocational Rehabilitation Act were reviewed by the General Accounting Office to determine the ability of the programs to meet the needs of all handicapped persons and their effectiveness in helping individual handicapped persons. Under the act, before vocational rehabilitation services can be provided by the joint Federal-state program, a person must meet the following criteria: (1) He must have a physical or mental disability; (2) This disability must impose a substantial handicap to employment; and (3) There must be a reasonable expectation that vocational rehabilitation services will render him fit to engage in a gainful occupation. It was found that: (1) The program has not been able to help all the handicapped who need aid; (2) Better budget estimates are needed in the future; and (3) Many rehabilitated persons did not become self-sufficient or competitive with nonhandicapped persons. Recommendations are given. (Author/CK)

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Effectiveness Of Vocational Rehabilitation In Helping The Handicapped

B-164031(3)

Social and Rehabilitation Service
Department of Health, Education, and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

AC0 14 406

APRIL 3 1973

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(3)

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the effectiveness of vocational rehabilitation in helping the handicapped. The vocational rehabilitation program is administered by the Social and Rehabilitation Service of the Department of Health, Education, and Welfare.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Health, Education, and Welfare.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
RSA	Rehabilitation Services Administration

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

EFFECTIVENESS OF VOCATIONAL REHABILITATION IN HELPING THE HANDICAPPED

Social and Rehabilitation Service
Department of Health, Education, and Welfare B-164031(3)

D I G E S T

WHY THE REVIEW WAS MADE

The General Accounting Office (GAO) reviewed programs under the Vocational Rehabilitation Act because of the large and increasing costs and the number of persons affected. We made the review to determine the ability of the programs to meet needs of all handicapped persons and their effectiveness in helping individual handicapped persons. The review was made in Michigan, North Carolina, and Oklahoma.

Background

The act authorized Federal grants to assist States to rehabilitate handicapped persons so they may prepare for and engage in gainful employment.

The Rehabilitation Services Administration (RSA), an agency of the Department of Health, Education, and Welfare's (HEW's) Social and Rehabilitation Service, is responsible for providing leadership to the States in planning, developing, and coordinating State programs.

State vocational rehabilitation agencies carry out programs authorized under the act; in most States separate State agencies for the blind administer programs for the visually handicapped.

State and Federal costs for basic support services--services generally rendered directly to handicapped persons--increased from $304 million (the Federal share was $225 million) for fiscal year 1967 to $697 million (the Federal share was $548 million) for fiscal year 1972. The number of rehabilitations reported by RSA increased from 174,000 in fiscal year 1967 to 326,000 in fiscal year 1972.

Before vocational rehabilitation services can be provided, a person must meet the following eligibility criteria:

--He must have a physical or mental disability.

--This disability must impose a substantial handicap to employment.

--There must be a reasonable expectation that vocational rehabilitation services will render him fit to engage in a gainful occupation.

According to RSA criteria, the program's effectiveness can be assessed in terms of (1) how well the program meets the needs of all handicapped persons and (2) how well the program meets the needs of each handicapped person served.

FINDINGS AND CONCLUSIONS

Helping all handicapped persons

The vocational rehabilitation

program has not been able to help all handicapped persons--possibly 7 million--who need and would benefit from the program. The number of persons rehabilitated annually, although increasing, is still not as great as RSA's estimates of the number becoming eligible each year (increment).

RSA projects that rehabilitations may exceed its estimates of the annual increment in 5 to 10 years. Then the universe of persons in need would begin to decrease. Whether rehabilitations will exceed the increment within this time could be affected by many factors, such as new legislation making more groups eligible for services.

Better estimates of the size of the universe and annual increment are needed to properly plan for the size and direction of the program and the resources needed.

Some of the services provided under this program are available under other Federal programs. Therefore, it is probably not necessary to meet the needs of the total universe through resources available only to RSA.

Helping each handicapped person served

GAO randomly selected and reviewed 820 of the 31,650 cases 3 States reported closed in 1970 to determine how well the program served individual clients. Of the 820 cases, 700 were general agency cases and 120 were blind cases.

In its review GAO sent questionnaires to selected clients. The review showed that some clients received intangible benefits; however, there were measurable benefits. For example, many clients' economic status had improved and some clients became more independent. Clients generally expressed favorable opinions about program services. (See pp. 23 and 36.)

In many cases benefits were limited, although some clients may have improved or progressed to the extent of their individual capability. Other clients, despite the fact that they might have been assisted to a considerable extent, needed additional services.

Although large numbers of persons were reported as successfully rehabilitated, GAO found that many rehabilitated persons did not become self-sufficient or competitive with nonhandicapped persons.

RECOMMENDATIONS OR SUGGESTIONS

HEW should:

--In addition to studying the total universe, obtain better estimates of the annual increment for planning the program's proper rate of growth to reduce the universe of need and to help assess the program's total impact and its effect on specific groups.

--Consider the extent to which needs might be met through other Federal programs when planning future growth of the vocational rehabilitation program.

--Require States to institute continuous followup on all clients whose cases have been closed to provide management with information regarding the program's long-range effectiveness and to provide an additional means through which unmet needs may be identified.

--Impress upon States the need for closely examining during the acceptance process circumstances of those persons who apparently require medical services only or tuition for college to determine whether the person could pay for the services or whether the services could be obtained from other programs or sources.

--Refine its annual data to show the number of cases that have been open longer than 1 year, the number of cases for which services were not provided or contacts were not made during the year, and the various combinations of services that were provided to rehabilitated clients. (See p. 45.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW generally agreed with GAO's findings and recommendations, adding that most suggestions had been adopted or were in the process of being worked out.

State agencies generally agreed with GAO's conclusions and recommendations. In some cases, action has already been taken to correct the problems noted.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This is a management-information report to the Congress on the effectiveness of the vocational rehabilitation program.

CHAPTER 1

INTRODUCTION

The Vocational Rehabilitation Act, as amended (29 U.S.C. 31), provides assistance to the States in rehabilitating handicapped persons[1] to prepare them for gainful employment. The costs of the vocational rehabilitation program, which began in 1920, initially were shared equally by Federal and State Governments. Counseling, vocational training, prosthetic devices, and job placement were provided to only the physically handicapped. The Federal share of costs is now 80 percent for most aspects of the program. The types of services available have been expanded, and persons having other than physical handicaps are now eligible.

Assistance available to States has also been broadened. Grants are now available (1) for developing new methods or techniques for providing services, (2) for research, demonstration, and training, (3) for special programs to expand services, (4) for recruiting and training individuals for career opportunities, and (5) for constructing or expanding facilities.

ELIGIBILITY AND AVAILABLE SERVICES

Before services can be provided, a person must meet the following eligibility criteria:

--He must have a physical or mental disability.

--His disability must impose a substantial handicap to employment.

--There must be a reasonable expectation that vocational rehabilitation services will render him fit to engage in a gainful occupation.

---

[1]According to agency criteria, a rehabilitated person is one who has received substantial services that contributed to his occupational adjustment and who has been suitably employed (including homemaking and gainful homebound work) for at least 30 days.

The Vocational Rehabilitation Act authorizes grants to States to help meet the costs of the following vocational rehabilitation assistance and services:

--Diagnostic evaluations needed to determine eligibility and services.

--Guidance.

--Physical restoration.

--Training.

--Books and training material.

--Subsistence.

--Job placement.

--Tools, equipment, stocks, and supplies.

--Acquisition of vending stands and initial stocks and supplies for business enterprises conducted by severely handicapped persons under the supervision of a State agency.

--Transportation.

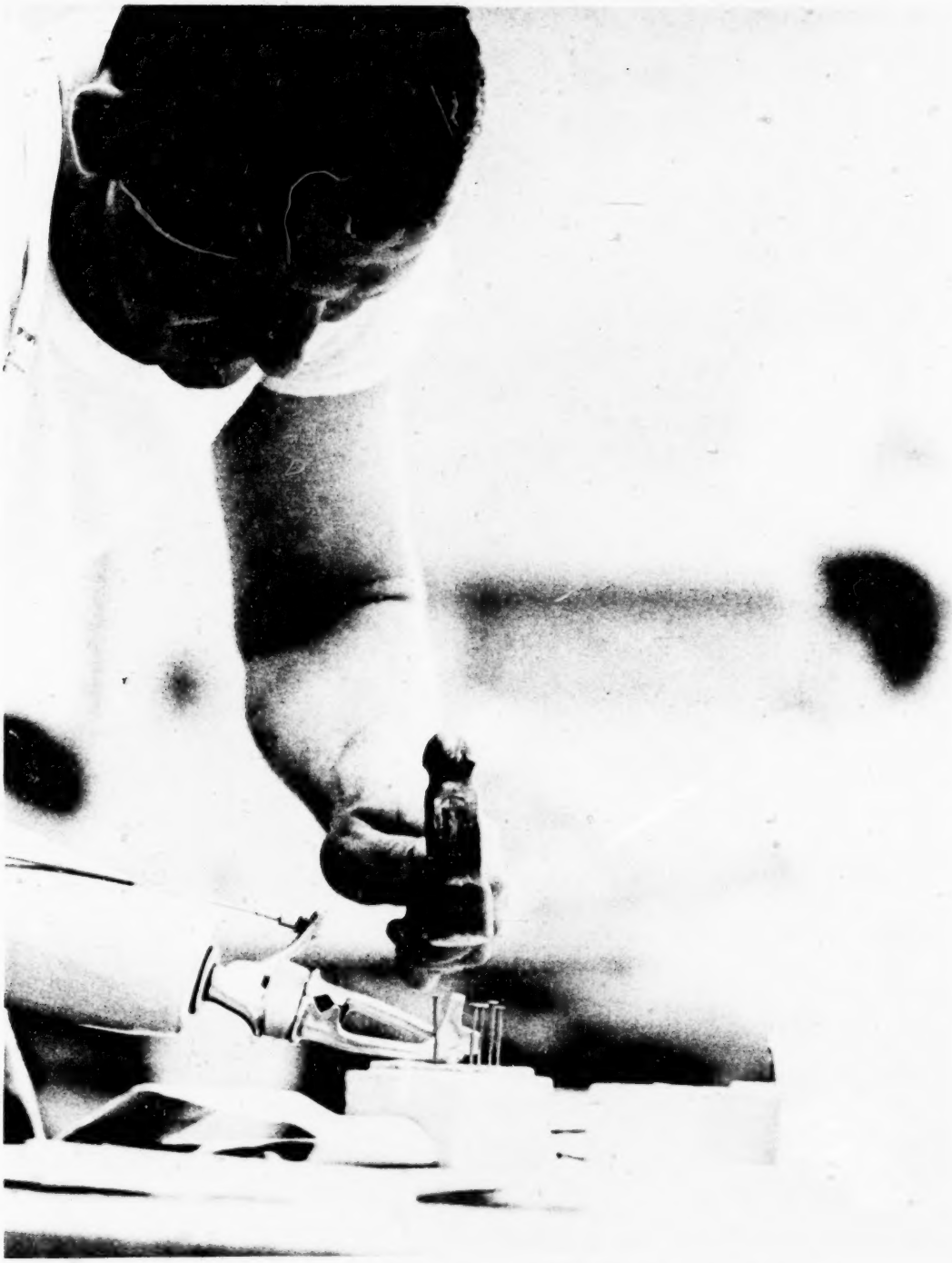
--Occupational licenses.

--Other goods and services necessary to enable a handicapped person to engage in gainful employment.

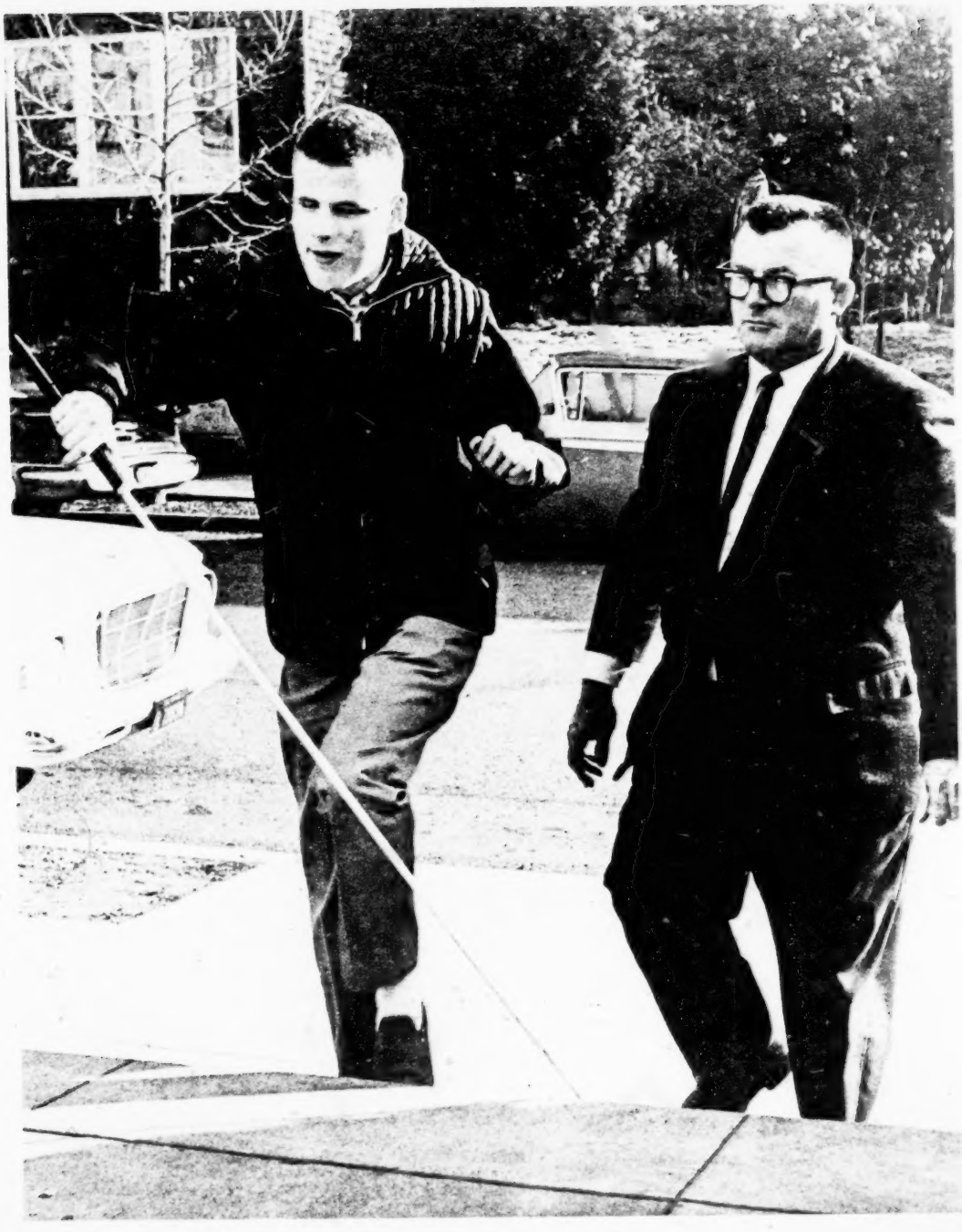
The following photographs, furnished by the Rehabilitation Services Administration, illustrate services being provided to handicapped persons.

ADMINISTRATION OF THE PROGRAM

The Rehabilitation Services Administration (RSA), an agency of the Social and Rehabilitation Service, Department of Health, Education, and Welfare (HEW), is responsible for administering the program at the Federal level.



TRAINING IN USE OF PROSTHESIS FURNISHED BY VOCATIONAL REHABILITATION PROGRAM



MOBILITY TRAINING FOR BLIND CLIENT

TRAINING AND PHYSICAL RESTORATION SERVICES IN VOCATIONAL REHABILITATION FACILITY

RSA is responsible for providing leadership to the States in planning, developing, and coordinating their programs and for

--establishing program goals and objectives;

--developing standards, program policies, criteria, guidelines; and

--evaluating progress in meeting the needs of the handicapped and taking action to develop and improve services.

The States are responsible for establishing programs for providing services to handicapped persons. These responsibilities are carried out by State vocational rehabilitation agencies and, in most States, separate agencies for the blind. To receive Federal assistance, each State must prepare a State plan which describes its program and which, upon Federal approval, becomes the basis for Federal grants.

RSA annually designates target groups the States should emphasize in providing vocational rehabilitation services. A State is not required to include RSA's target groups in its program; however, RSA encourages State officials to adopt its target groups. For fiscal year 1972 RSA established public assistance recipients, public offenders, and persons living in areas covered by the Model Cities program as targets. A State may add other target groups as its needs dictate.

FINANCIAL CHARACTERISTICS

Most program funds are spent for basic support services--services rendered directly to handicapped persons--and for certain other administrative and construction activities. For fiscal years 1969 through 1972, expenditures for basic support services authorized by the Vocational Rehabilitation Act were about 80 percent of the total Federal funds spent for all program activities. The remaining 20 percent, authorized under other sections of the act, was spent for assisting States in developing new methods or techniques for providing services; for research, demonstration, and training; for special programs to expand services; for recruiting and training individuals for career

opportunities; and for constructing or expanding rehabilitation facilities.

From inception of this program in 1920 through fiscal year 1972, the Federal Government's share of basic support services costs has been about $3.3 billion. About 70 percent of this total was spent during the last 6 years. State and Federal costs for basic support services for fiscal years 1967 through 1972 are shown in the following table.

Fiscal year	State share	Federal share	Total cost
	(millions)		
1967	$ 78.6	$225.3	$303.9
1968	95.3	282.3	377.6
1969	115.0	340.9	455.9
1970	125.9	431.8	557.7
1971	142.3	489.1	631.4
1972	149.0	547.8	696.8

The following chart shows, for a recent year, how the vocational rehabilitation dollar was spent for each type of basic support services, including the cost of administration and establishing facilities.

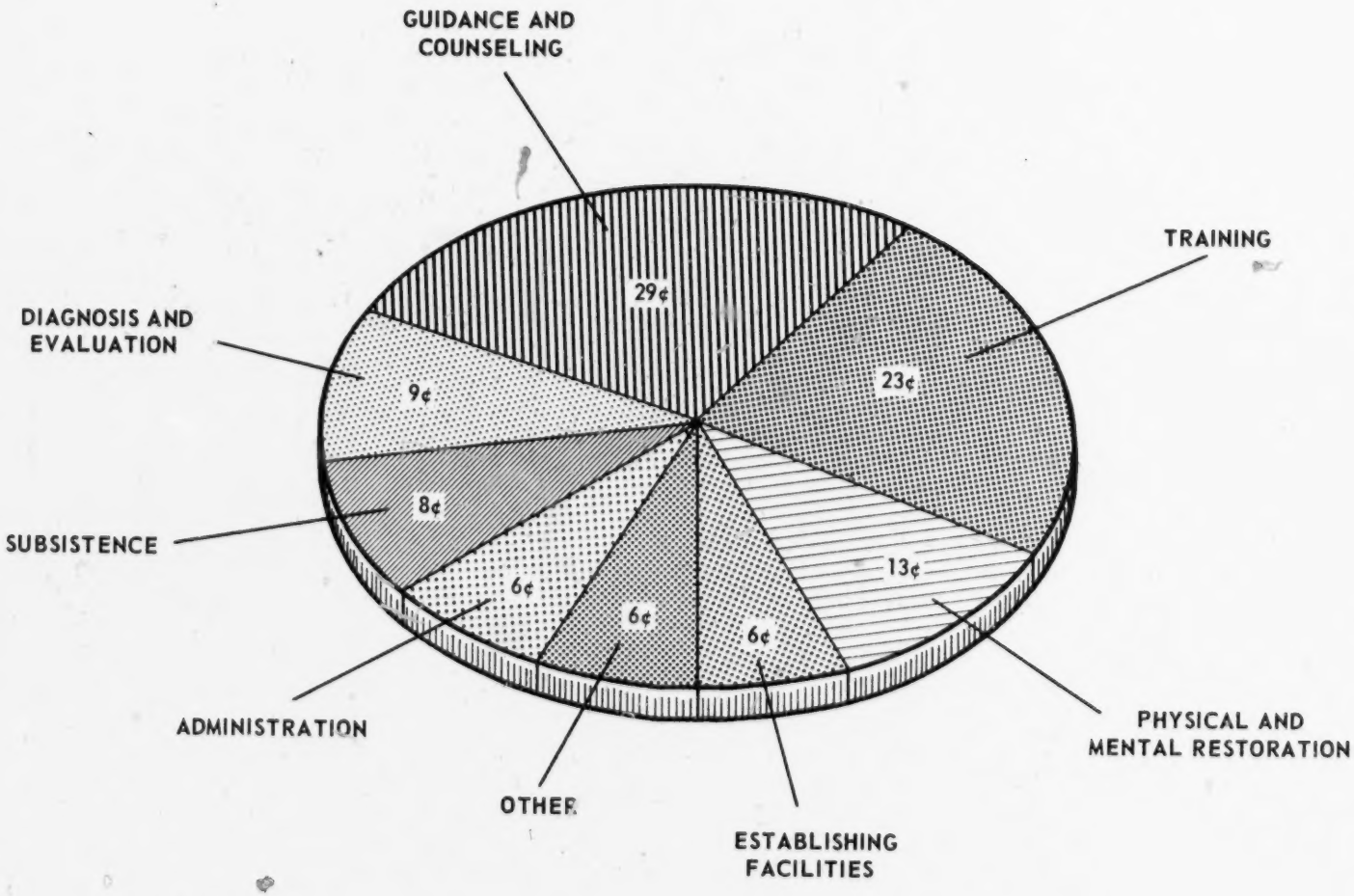
PROGRAM ACCOMPLISHMENTS

RSA reports program accomplishments in terms of the numbers of persons rehabilitated. In recent years RSA has reported large and increasing numbers of rehabilitations.

Fiscal year	Persons rehabilitated	Percent of increase over previous year
1967	174,000	12.5
1968	208,000	19.8
1969	241,000	16.1
1970	267,000	10.6
1971	291,000	9.1
1972	326,000	12.0

According to RSA, the program's effectiveness can be assessed in terms of

--how well the program has been able to meet the needs of all handicapped persons who need and would benefit from rehabilitation services and


GUIDANCE AND COUNSELING
29¢
TRAINING
23¢
DIAGNOSIS AND EVALUATION
9¢
SUBSISTENCE
8¢
13¢
6¢
6¢
6¢
ADMINISTRATION
OTHER
ESTABLISHING FACILITIES
PHYSICAL AND MENTAL RESTORATION

--how well the program meets the needs of each handicapped person served.

SCOPE OF REVIEW

We made our review at HEW headquarters, Washington, D.C.; HEW regional offices in Atlanta, Georgia, in Dallas, Texas, and in Chicago, Illinois; the State offices of the Division of Vocational Rehabilitation and the State Commission for the Blind, Raleigh, North Carolina; the Division of Vocational Rehabilitation and the Office of Services for the Blind, Lansing, Michigan; and the Department of Institutions, Social and Rehabilitation Service, Oklahoma City, Oklahoma.

We toured training centers, sheltered workshops, hospitals, mental institutions, prisons, and schools and observed vocational rehabilitation services being provided. We discussed program activities with personnel at these facilities and also at some regional and local agency offices.

We randomly selected for review 820 of the 31,650 cases 3 States reported as closed in fiscal year 1970. We examined the individual case records and discussed them with State officials.

The following table shows the details of our sample.

	Cases sampled	Total cases closed in fiscal year 1970
General agencies:		
Successful (note a)	350	24,895
Unsuccessful	350	5,660
	700	30,555
Agencies for the blind:		
Successful (note a)	60	920
Unsuccessful	60	175
	120	1,095
Total	820	31,650

[a]Case closed as rehabilitated.

We obtained additional information from questionnaires sent to program participants whose cases had been closed 1 to 2 years prior to our fieldwork. The response rates to our questionnaires from general agency clients were 73 and 59 percent for successful and unsuccessful cases, respectively. From blind clients, responses were received from 92 and 71 percent of the successful and unsuccessful cases, respectively. However, some respondents did not reply to all questions.

CHAPTER 2

ABILITY OF THE PROGRAM TO MEET THE NEEDS OF ALL HANDICAPPED PERSONS

According to RSA, effectiveness can be measured by determining the extent to which the program has met the needs of all handicapped persons who need and would benefit from it. Historically, the estimated total number of handicapped persons (universe) has far exceeded the number of persons rehabilitated.

Resources available to RSA have been insufficient to cope with the universe, which is ever-increasing because of legislation which has authorized services to additional groups of handicapped persons and has increased the types of services available. It is probably not necessary, however, for RSA to meet the total need through resources available only to RSA since some of the services are also available under other Federal programs.

In recent years, rehabilitations have rapidly increased; they are now approaching RSA's estimate of the number of persons becoming available for services each year (annual increment). Past trends and RSA's estimated rehabilitations for future years indicate that rehabilitations may exceed the estimated increment in 5 to 10 years. At that time, the universe will begin to diminish. RSA does not have a reliable estimate of either the universe or the annual increment. Studies are underway, however, to obtain better estimates of the universe.

COMPOSITION AND SIZE OF UNIVERSE

The program originally provided for certain services for the physically handicapped. The increase in the population, together with the addition of certain handicapped groups, has substantially increased the number of persons eligible for services.

In 1943 program benefits were expanded to include medical, surgical, and hospital services and subsistence allowances for handicapped persons. At the same time, the program was authorized to expand services for the blind and

coverage was extended to include the mentally ill and mentally retarded.

In 1968 a program of vocational evaluation and work adjustment was created to serve the socially and culturally disadvantaged, including youths of school age, regardless of whether they have mental or physical handicaps. This program has not been funded.

The following graph compares the estimated universe of handicapped persons who could benefit from the program--including the socially and culturally disadvantaged who are eligible for all program services--with rehabilitations for fiscal years 1968 through 1972. It is apparent that the program has not met the needs of all handicapped persons.

EFFORTS TO DEFINE THE UNIVERSE

Attempts to determine the universe of handicapped persons have been made by RSA and other agencies with varying results. RSA is continuing its efforts to determine the size of the universe and the nature of the persons' handicaps through research studies and information obtained from the 1970 census. Better estimates are needed to measure the extent of the program's accomplishments and to determine where program emphasis should be placed.

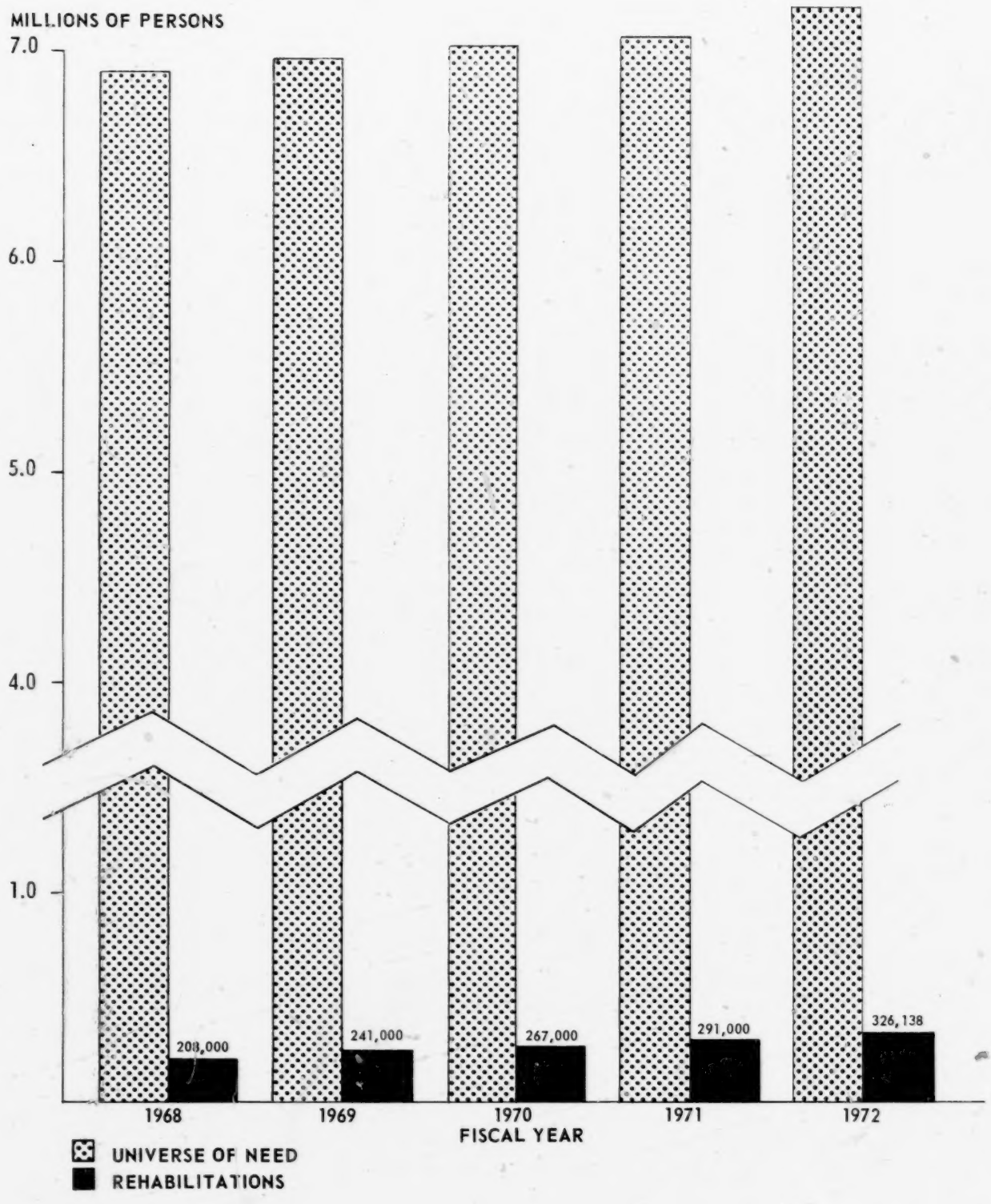
Past efforts

In 1967 RSA funded individual statewide projects to develop plans that would assist the States in improving services. The States made their studies over a 2-year period, and by November 1969 RSA had received reports from 43 States. Each State's study included an estimate of the number of handicapped persons in the State.

RSA contracted with a private firm to consolidate and evaluate the results of the States' studies. The contractor's report, issued in January 1970, provided RSA with a comprehensive analysis which

--noted major statewide findings,

--indicated the direction and probable magnitude of the program by 1975, and


MILLIONS OF PERSONS
7.0
6.0
5.0
4.0
1.0
208,000
241,000
267,000
291,000
326,138
1968
1969
1970
1971
1972
FISCAL YEAR
UNIVERSE OF NEED
REHABILITATIONS

--provided guidelines for continued planning and implementation.

The contractor's report pointed out that most States had difficulty in estimating the number of handicapped persons and that the States' reports were often less than precise in explaining how the estimates were made or how the findings were to be used for planning purposes. The States' estimates of their handicapped ranged from 1.6 to 11 percent of each State's total population.

The contractor stated that estimating the number of persons who needed and would benefit from rehabilitation services was made more difficult by including the disadvantaged population in the universe because (1) the word "disadvantaged" did not lend itself to a working definition for planning purposes, (2) data for describing disadvantaged persons was inadequate, and (3) definitive guidelines for determining the feasibility of rehabilitating disadvantaged persons did not exist.

Using data furnished by the States and basically the same approach used by the States, the contractor estimated that 3.43 percent of the general population was handicapped and could benefit from the program. The contractor recommended that RSA use these figures for planning purposes until the estimates could be improved. RSA officials indicated that the 3.43 percent--although not precise because of the different methods used by the States in determining their handicapped population--was usable for long-range planning purposes.

Current efforts

RSA recognizes that better estimates are needed, and studies are underway to derive a better estimate of the universe. A $1 million contract for one study was awarded to a university in June 1971 to identify the needs for services and patterns of utilization of services, the patterns of coping with human problems, and the role of service agencies and programs. RSA expects usable data from the study to become available early in 1973, although the study will take 5 years to complete. RSA plans to update information revealed by the study every 3 to 5 years.

RSA was instrumental in having questions on disability included in the 1970 census questionnaire. The questions asked whether persons had a health or physical condition which limited the kind or amount of work they could do, whether their conditions kept them from holding a job, and how long they had been limited in their ability to work. Responses to these questions were required of 5 percent of all persons (excluding students and persons in institutions) aged 16 through 64--about 6 million of the 120 million persons in this group in 1970. Estimates of disability based on the 1970 census data show that 11.2 percent of the population aged 16 through 64 is disabled.

An RSA official said this data will provide a basis for making statistically reliable estimates of information about the disabled in each State and in cities of over 250,000. He informed us also that standardized information by geographical areas has not been available in the past.

- - - -

Universe data presently available, although not precise, indicates that the program has not met the needs of all handicapped persons who need and would benefit from rehabilitation services. Current estimates place the universe at 7.2 million persons (3.43 percent of the Nation's population). As mentioned previously, States' estimates of their handicapped ranged from 1.6 to 11 percent of their total population. Applying the lowest percent (1.6), the total handicapped population nationwide in 1972 would have been about 3.4 million. Accordingly, when available estimates of the universe are compared to the number of rehabilitations, it is evident that--even though rehabilitations are increasing each year--this program has not reduced the number of persons who need rehabilitation services.

ESTIMATES OF THE ANNUAL INCREMENT

Although the annual increment increases the universe of need, other factors decrease the universe of need because persons (1) are rehabilitated, (2) overcome their handicaps, (3) die, (4) become too severely disabled, or (5) lose interest in rehabilitation.

RSA officials initially advised us that they considered the annual increment to be about 500,000 persons. On the basis of National Health Survey and Social Security statistics, RSA estimated that the increment would be 801,000 persons for fiscal year 1972 and would increase to about 867,000 for fiscal year 1977.

As part of their planning studies (see p. 16), the States were to consider the size of their increments. The RSA contractor who compiled th data pointed out, however, that only nine States attempted to estimate their increments and that these estimates varied widely. On the basis of this limited data, the contractor calculated that the increment to the national universe was about 912,000 persons.

The annual rehabilitations have rapidly increased and, as shown by the following graph, RSA expects them to continue to increase.

As shown in the graph, estimated future rehabilitations will increase significantly; by 1977 there will be slightly more than 700,000. Therefore, it appears that rehabilitations will approach the increment in 5 to 10 years, depending on which estimate of the increment is considered. However, the following variables could affect this rate.

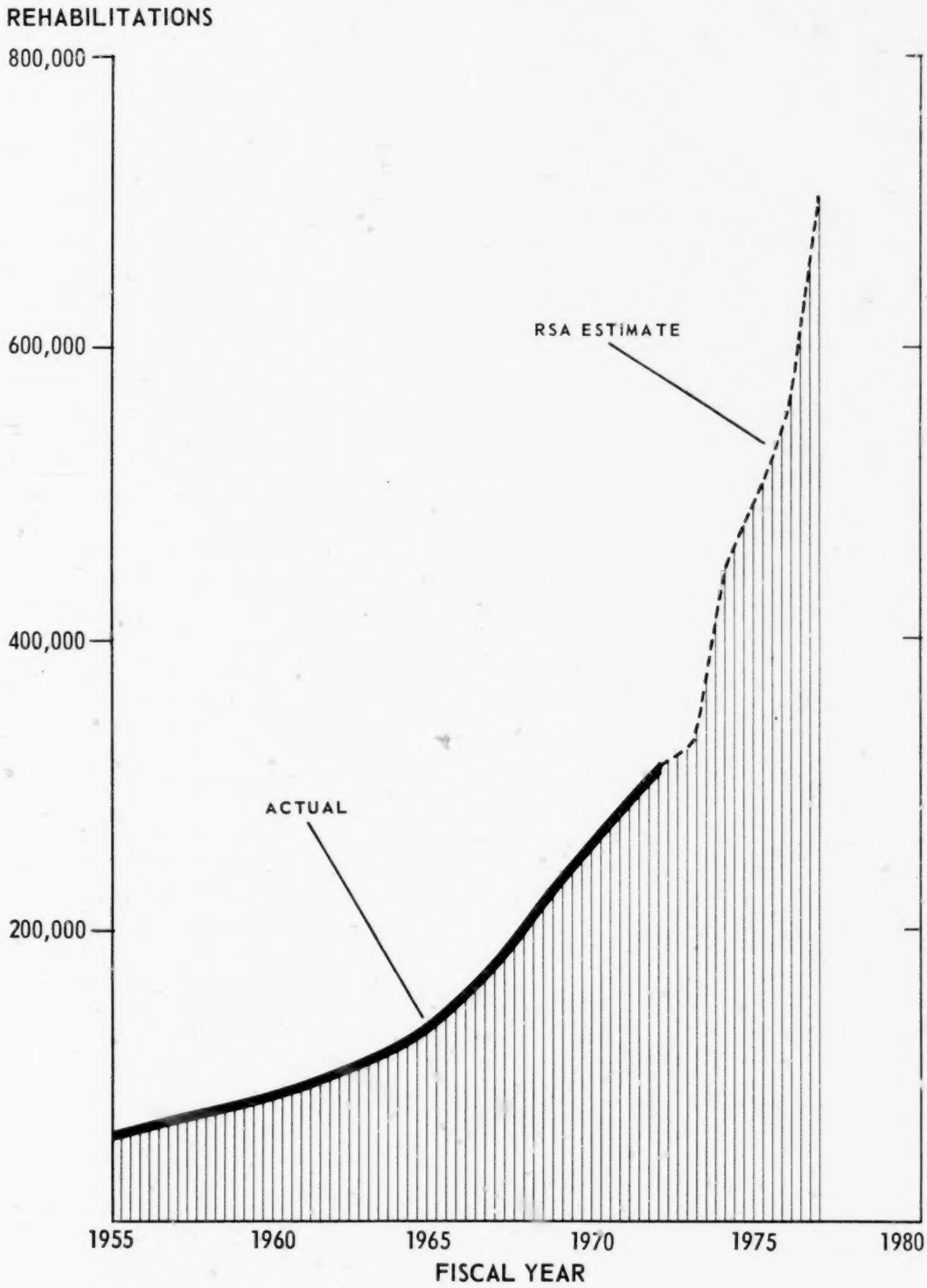
--Accuracy of the estimated increment.

--Addition or deletion of disability groups to the program.

--Increase or decrease in funds available to the program.

--Employment conditions.

Once rehabilitations exceed the increment, the universe of need will begin to diminish and decisions regarding the size and direction of the program and resources needed will become more important. Therefore, it seems that a better estimate of the increment is necessary for RSA's long-range planning and funding estimates as well as for congressional evaluation of the program.


REHABILITATIONS
800,000
600,000
400,000
200,000
RSA ESTIMATE
ACTUAL
1955
1960
1965
1970
1975
1980
FISCAL YEAR

CHAPTER 3

EFFECTIVENESS IN HELPING EACH PERSON SERVED--

GENERAL AGENCY CLIENTS

According to RSA, effectiveness can also be measured by determining how well the program is meeting the needs of each individual it serves. To assess the effectiveness of the program in serving individual general agency clients,[1] we randomly selected and reviewed 700 cases reported as closed by the States during fiscal year 1970. (See p. 13.) We sought additional information through questionnaires sent to clients whose cases had been closed 1 to 2 years prior to our fieldwork.

Most of the clients benefited from the program. However, there were indications that services to some clients had produced only temporary gains or had resulted in limited economic improvement. We noted that:

--15 percent of the successful clients needed additional services.

--The economic status of many rehabilitated clients was not improved and, for some, decreased after rehabilitation. At case closure, 75 percent of the successful clients in our sample had increased their incomes; however, at our followup, only 50 percent had increased incomes.

--The incomes of most rehabilitated clients were very low. At the time of our followup, 69 percent of the successful clients were making $75 or less per week; 55 percent were making $50 or less.

--15 percent of the successful clients were receiving public assistance at acceptance, and 16 percent were receiving public assistance at our followup. Some of these persons were receiving public assistance at both

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[1]See ch. 4 for discussion of clients served by agencies for the blind.

acceptance and closure. In all of these cases, the amount of public assistance being received at closure was the same as or more than the public assistance being received at acceptance.

Also, some of the clients being served might not be those who most need the program in view of (1) the large universe of need and (2) the minor nature of services provided to some successful clients.

BENEFITS TO CLIENTS

The program has benefited large and increasing numbers of persons. Many of these benefits, such as increasing the individual's self-respect and pride, are intangible and cannot be measured. There are some measurable indicators that most clients received benefits, including improved economic conditions of clients, movement of clients toward independence, and generally favorable opinions from clients.

Clients' improved economic status

Our review of a sample of successful cases showed that all clients who had been classified as unemployed at acceptance were employed (either in a remunerative position or gainful homebound work) at the time their cases were closed, as shown in the following table:

	At acceptance	At closure
Employed:		
Remunerative position	94	295
Homemaker or unpaid family worker	54	55
Unemployed	202	-
Total	350	350

Based on the table, 84 percent of our sample of successful clients were employed in a remunerative position at case closure, as compared to 27 percent at acceptance. From responses to our questionnaires, we noted that 57 percent of the successful clients were still employed in remunerative positions.

We also noted increased incomes from remunerative employment for many clients. A comparison of the average monthly income for clients in our sample of successful cases at the time of acceptance, closure, and our followup shows that the average income level increased significantly. Although the income level decreased after the case was closed, at the time of our followup the income was still significantly higher than that reported at acceptance.

The income from remunerative employment of 27 percent of the clients whose cases were closed as unsuccessful had increased between acceptance and our followup.

Another measurable economic benefit of the program is the removal of clients from public assistance rolls. Of the successful clients in our sample, 15 percent were receiving public assistance at acceptance but only 9 percent were receiving public assistance at closure.

Benefits can also result in situations where the client is not placed in remunerative employment. For example, a client may be rehabilitated to be a homemaker or an unpaid family worker and perform household duties or release another member of the household to work outside of the home. In our sample 55 clients were rehabilitated as homemakers or unpaid family workers. (See table on p. 23.)

Movement toward independence

While in the program 202 persons obtained employment. Some of these clients, although suffering from such severe disabilities as mental retardation, mental illness, or loss of limbs, apparently became self-supporting, as illustrated in the following cases:

--A North Carolina client, a 17-year-old girl, was referred in February 1969 to the program by a special education counselor. After physical and psychological examination, the client was determined to have an IQ of 69, indicating mental retardation. The client received services which cost about $900, including vocational evaluation, social adjustment, and on-the-job training. She was later placed in work at a textile mill earning a weekly salary of $64. In December 1969 her case was closed as successful. From

our questionnaire in August 1971, we found that the client was working in another textile mill earning $74 a week.

--A young man, age 21, had lost a leg and the partial use of one arm in an accident. Through extensive counseling and guidance, the Michigan Division of Vocational Rehabilitation helped the client become emotionally independent of his family to the point where he was able to leave home and obtain work. He received an artificial limb and was given training in the ADP field through his employer. The State agency further aided the client by replacing his artificial limb. The client, after completing the training program through his employer, requested that his case be closed because he believed he was now able to function on his own.

Clients' opinions of services

In our questionnaire, we asked clients whether they believed the services they received were satisfactory. Not all respondents provided comments; however, about 78 percent of the successful clients and 61 percent of the unsuccessful clients expressed satisfaction with the services. A tabulation of actual responses is shown below:

Clients' opinions of program services	Successful clients	Unsuccessful clients	Total
Satisfactory	189	99	288
Unsatisfactory	38	37	75
No opinion	15	25	40
Total	242	161	403

Several clients who responded negatively believed the services were not provided quickly enough; several others indicated they had not received any services. (See p. 28 for discussion of clients who responded negatively.)

SOME BENEFITS LIMITED AND NOT LONG-LASTING

Even though some clients may have been assisted considerably, services to some clients produced only temporary gains or resulted in limited economic improvement. Our review disclosed cases in which:

--Clients needed additional services.

--Clients' economic status was not improved.

--Clients' level of income was generally low.

--Clients remained on public assistance after successful rehabilitation.

Additional services needed

Of the 700 cases in our sample, we identified 119 which needed additional services. State vocational rehabilitation officials generally agreed with our opinions. We considered a need to be unmet when the service provided did not achieve the vocational objective for the individual or when the vocational objective was met but other needs were indicated. Our identification of an unmet need was generally based on documentation in case files. The following table summarizes the service areas in which we identified unmet needs.

Service area	Successful clients	Unsuccessful clients	Total
Guidance and counseling	24	38	62
Placement	12	5	17
Physical restoration	6	4	10
Training	3	2	5
Subsistence	1	-	1
Followup by agency	5	13	18
Diagnostic and evaluation	-	3	3
Psychiatric	-	3	3
Total	51	68	119

These cases represent 15 percent of the successful cases and 20 percent of the unsuccessful cases in our sample. The following cases are examples we thought involved unmet needs.

--A 17-year-old man, disabled by severe asthma, was referred to the Michigan Division of Vocational Rehabilitation. The client's asthmatic condition required that he avoid working in humid or dusty conditions or where there would be sudden temperature changes. His plan for rehabilitation included financial assistance in becoming a commercial artist through a community college. However, the client did not enter school but obtained work on a Great Lakes freighter. This work apparently aggravated his asthma, and he had to be hospitalized. The case was closed as unsuccessful at that point without contacting the client, because the client "failed to cooperate." The case file contained a report from a psychologist, prepared early in the rehabilitation process, indicating possible personality problems. We believe, and State officials concurred, that these problems should have been explored and that the client should have been contacted before his case was closed to determine why he had not entered college.

--Another client, a 15-year-old male, was referred to the North Carolina Division of Vocational Rehabilitation in September 1967 because of a mental disability. The client was accepted in October 1968 and was later provided services at a cost of $1,400, which included training in upholstery work, with the objective of placement as an upholsterer. The client completed his training. The case record indicated that no contacts were made with the client between December 1968 and June 1970, at which time the counselor learned the client was working as a garbage collector earning $40 per week. Since the client was gainfully employed, the counselor closed the case as successfully rehabilitated.

From our questionnaire, we found that the client had lost his job immediately after his case was closed because he cut his foot and had no transportation to get to work. He remained unemployed for 1 year. At the time of our followup, the client was again employed as a garbage collector earning $30 a week. State officials agreed with our opinion that the client needed placement services that were apparently not given.

--In February 1969 a 17-year-old girl who had one child was referred to the Oklahoma rehabilitation agency by the department of public welfare because of dental problems. Her vocational objective was to retain her part-time job as a waitress. She also expressed an interest in on-the-job training, and her counselor planned to refer her to the community action training program to improve her employment status. Her dental work was completed, and the case was closed as successful in September 1969 as a homemaker because she was unemployed and caring for her child at home.

There was no evidence in the case file that indicated she had been referred for additional training. State officials agreed that additional training was called for and that the file should have been documented to show why additional training was not needed.

Further indications that some clients were not fully satisfied with the services provided or that additional services were needed were provided through our questionnaires. We found that 16 percent of the successful clients and 23 percent of the unsuccessful clients who responded were not satisfied with the services provided and indicated that they had unmet needs in the following categories:

Service category	Number of responses
Training	12
Placement	2
Subsistence	5
Medical	13
Guidance and counseling	2
Other (note a)	41
Total	75

[a] Clients did not specify a particular service but made statements such as "received no help" or "services were too slow."

Economic status for some successful clients was not improved

From our sample of successful cases, we noted (1) clients whose income and/or job status was unchanged as a result of rehabilitation and (2) clients who lost their jobs after their cases were closed as successful. Some of the reductions in job and/or income status may have been due to general economic conditions, but some of the increases in income may have been due to inflation. We did not attempt to correlate our findings with these conditions.

At acceptance, 27 percent of our sample of successful clients were reported as employed in remunerative occupations. Many of these clients were in the same job at the time their cases were closed. In addition, 16 percent of the successful cases were not receiving income from remunerative employment when their cases were closed. The following table shows a comparison of client income at closure and acceptance:

Comparison of income (closure to acceptance)	Clients	Percent
More	264	75.4
Same	80[a]	22.9
Less	6	1.7
Total	350	100.0

[a] Includes clients with no income at acceptance and/or closure.

Although the percentage of clients who increased their incomes was large, our questionnaires showed that such increases are not always long lasting. As shown in the above table, 75 percent of the successful clients had increased their incomes at case closure. As shown below, 50 percent still had increased incomes at the time of our followup.

Comparison of incomes (followup to acceptance)	Clients	Percent
More	118	50.4
Same	90[a]	38.5
Less	26	11.1
Total	234	100.0

[a] Includes clients with no income at acceptance and/or followup. All clients did not respond, and some responses did not contain income data.

Incomes were low for most successful clients

We recognize that the achievement capabilities for the handicapped are not as high as for the nonhandicapped. Although many clients increased their incomes after acceptance, the amount of income received by most successful clients was low. The following table shows income ranges at various stages.

Weekly income range	Percent of clients in income range at: Acceptance	Closure	Followup
$ -	73.7	16.0	43.2
1 to 25	6.0	8.3	4.4
26 to 50	8.9	11.7	7.1
51 to 75	7.4	28.6	14.5
76 to 100	2.8	18.6	12.8
101 to 125	.6	9.7	7.4
over 125	.6	7.1	10.6
Total	100.0	100.0	100.0

Our followup showed that 69 percent of the successful clients were making $75 or less per week and that 55 percent were making $50 or less.

Successful clients remain on public assistance rolls

RSA has designated assistance recipients as a top-priority service group. As shown in the preceding table, many clients, even though successfully rehabilitated, do not make sufficient income to be self-supporting. As a result, some rehabilitated clients remain on public assistance. In 51 of our 350 sample cases, clients were receiving public assistance at acceptance. At case closure, 22 of the 51 clients had been removed from the public assistance rolls; however, 3 other clients began receiving public assistance during the rehabilitation process. Of the 29 cases on public assistance at both acceptance and case closure, we noted that none were receiving a reduced amount of assistance at closure.

From the responses to our questionnaires, we noted that 4 of the 22 clients removed from the rolls were again receiving public assistance. Some other clients not on public assistance at acceptance or closure were receiving public assistance at our followup. A summary of the successful clients on public assistance at various stages follows.

Status	Cases analyzed	Number receiving public assistance	Percent
Acceptance	350	51	14.6
Closure	350	32	9.1
Followup	254	51	20.1

NEED TO EXAMINE CERTAIN TYPES OF CASES

As noted in chapter 2, the universe of persons who need and would benefit from rehabilitation service far exceeds the number of persons the program will be able to serve in the near future. We believe that some clients in our sample might not be those who need the program most. Expenditures for services to persons with limited needs reduce the funds available for services to persons who might have greater needs. In view of limited funds and the large universe, we question whether resources should be applied toward assisting those who might have recourse to other assistance or who receive medical services only. For example:

--Clients received tuition fees for college when other funds might have been available.

--Clients (some of whom were employed at acceptance) received medical services only.

College tuition

We noted 23 cases, or 7 percent, from our sample of successful cases in which program expenditures amounting to $26,700 were used almost exclusively for college tuition. In some instances, we believe that the clients might have been able to afford the costs themselves. However, the Federal regulations do not require the States to consider the financial need of an individual for program services. An example of this type of case follows.

--A Michigan client who was accepted for services because of an asthmatic condition was provided 4 years of college tuition and fees amounting to $2,100. According to information in the case file, the client was the only child of a family whose annual income was $19,000.

Although we did not attempt to establish whether funds were definitely available to individuals from other public sources, HEW sponsors tuition for disadvantaged students under its general student financial aid programs and under the Higher Education Act of 1965, as amended.

Some other sources of funds might include school loans or scholarships; assistance available under the National Defense Education Act of 1958, as amended; and assistance from the Veterans Administration.

Medical services only

The vocational rehabilitation program is the only HEW program that offers a complete comprehensive program of services to handicapped persons. However, many persons do not require comprehensive services. Within our sample of successful cases, we found 116 clients, or 33 percent, who received only medical services costing $47,000. Of the clients who received only medical services, 54 were employed at acceptance.

It appeared that some of the employed clients were able to pay for the services themselves. These services included dental work, eyeglasses, and replacement or repair of hearing aids or other prostheses. Federal regulations do not require that such individuals be unable to pay for these services.

Although we did not determine any client's eligibility for other medical programs, we noted that some clients who received only medical services were receiving public assistance. The receipt of federally assisted public assistance makes persons eligible for the Medicaid program. Therefore, services of this type might have been available in the States included in our review.

STATE COMMENTS

Each of the three States was given an opportunity to comment on our findings and conclusions; their comments are summarized below.

Michigan

The State Director of the Vocational Rehabilitation Service, Department of Education, stated that efforts had been made to deal with some of the issues discussed in our draft report. Specifically, the State had revised its policies regarding services for college students and had begun followup studies of rehabilitated clients. He pointed out

that services to a more severely handicapped clientele inevitably result in poorer long-term success rates and that measurement should not be against an ideal of 100-percent success but against a similar population that receives no services.

North Carolina

The Administrator, Division of Vocational Rehabilitation, Department of Human Resources, stated that after receiving rehabilitation services most clients still have disabilities which make them a high-risk group in terms of adjusting to job market changes and changing job demands. Consequently, the need for reopening some cases and providing additional or new services will continue. He stated that responding to the needs of handicapped persons in this manner was far more economical than investing in long-term programs of financial support.

The Administrator pointed out that involvement with those persons whose income at acceptance and closure remained constant usually was directed toward job maintenance. He acknowledged that many handicapped persons served under the program are receiving wages inadequate in terms of our economy but that, because of economic or eligibility factors or limited funds over which the Division has no control, persons could not become involved in more extensive rehabilitation efforts.

The Administrator stated that a client whose income was reduced between acceptance and closure might have a physical, emotional, or mental condition or might have had to choose between losing his job or taking a cut in salary.

The Administrator stated that the possible use of Medicaid benefits had been called to the attention of the service staff and that Medicaid services have been used extensively.

Oklahoma

The Director, Department of Institutions, Social and Rehabilitation Services, pointed out that one of the goals of the rehabilitation program is job retention and that

improvement of economic status does not always result even though job retention may be the vocational goal. The Director stated also that the Department's activities were being reexamined and that, as a result

--a program of reviewing the length of time cases remain in a particular status has been initiated,

--expenditures for particular types of services were being reviewed,

--the financial status of the clients was being studied, and

--the circumstances of clients whose public assistance grants had been reduced or discontinued at case closure were being studied to determine whether those clients had stayed off of public assistance.

The Director also stated that other studies were being planned which perhaps would correct some of the other deficiencies found during our review.

CHAPTER 4

EFFECTIVENESS IN HELPING EACH BLIND CLIENT SERVED

In Michigan and North Carolina separate agencies for the blind[1] served blind clients. Our review of 120 cases (60 successful and 60 unsuccessful) selected at random from these agencies showed conditions similar to those disclosed in our review of general agency cases.

BENEFITS TO CLIENTS

Most clients received benefits from the program. Although some benefits are intangible, we noted measurable indicators that the program was effective. For example, some clients obtained employment and moved toward becoming self-supporting. Clients' opinions of the program were generally favorable.

The following table shows that many of the successful clients became employed through the program.

Status	Percent employed
Acceptance	20.0
Closure	55.0
Followup	46.3

These clients' average monthly income increased sharply between acceptance and case closure. Although at the time of our followup their average monthly income had declined, it was still significantly higher than at acceptance.

Responses to our questionnaires showed that incomes of about one-half of the clients employed at the time of case closure continued to increase after case closure.

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[1]These agencies served persons with visual handicaps including, but not limited to, permanent or total blindness.

We also noted that several unsuccessful clients had increased incomes.

A blind person faces a severe handicap in seeking employment and in activities of daily living. Nevertheless, our review of case files disclosed instances where individuals moved toward self-support. One example follows:

--A 20-year-old male, who had been blinded in both eyes as the result of an automobile accident, was referred to the North Carolina State Commission for the Blind in August 1967. At the time of referral the client had no income, but he later began receiving Social Security disability insurance at $116 per month. The client was provided adjustment training, including braille, daily living, grooming, housekeeping, laundry, and travel. The client subsequently received additional evaluation and training and was placed in employment at a military base in the preservation and packaging section earning $1.60 per hour. He later was described in the base newspaper as an outstanding employee. Because of the length of his employment, his disability insurance income was terminated in April 1970. In response to our questionnaire, the client reported that he was still employed at this job and that the services he received were very satisfactory.

Of the 49 rehabilitated clients who responded to our questionnaires, 40 stated that the services were satisfactory. Of the 34 unsuccessful clients, 28 also responded affirmatively.

SOME BENEFITS LIMITED AND NOT LONG-LASTING

As was the situation with general agency clients (see p. 26), in some cases involving blind clients:

--Clients needed additional services.

--Clients' economic status was not improved.

--Clients' levels of income were generally low.

--Clients remained on public assistance after successful rehabilitation.

Of the 120 cases in our sample, 16 had some unmet needs. These 16 cases were discussed with State officials who generally agreed with our view.

Service area	Clients
Guidance and counseling	6
Placement	7
Medical	3
Total	16

Following are two cases which, in our opinion, demonstrate unmet needs.

--A North Carolina client, a 40-year-old female, was accepted for services in June 1967. Proposed services included glasses and surgery. The client was hesitant to undergo an eye examination to be given by the particular doctor recommended by the counselor. In May 1968 the counselor met with the client to encourage her to have the examination but did not suggest another doctor. The client promised to make an appointment for the examination; however, the case file indicated no further contacts with the client were attempted until about 19 months later. At this time the counselor could not locate the client and closed the case as unsuccessful because the client "failed to cooperate." A State official agreed that inadequate counseling existed.

--Another client was referred to the Michigan agency for the blind in November 1968. The rehabilitation plan included eyeglasses and placement assistance in returning to kitchen work or home cleaning. The client was provided a medical examination and eyeglasses, and the case was closed successfully as a homemaker in December 1969 after the counselor learned the client was helping with the maintenance of her own home and the care of her grandchildren.

In our opinion, placement services should have been provided to this client. State officials agreed that the case was closed without justification since there was nothing in the record to indicate that the client did not want a job.

In many instances, a rehabilitated client's job status was not improved. Of the 60 successful clients, 33 were employed at closure, including 10 who were employed at acceptance; thus, 23 clients obtained employment while in the program. Responses to our questionnaires showed that 9 of the 23 clients were again unemployed at our followup. We also determined that only about one-half of the successful clients' incomes had increased from acceptance to our followup.

Comparison of incomes (followup to acceptance)	Percent of clients
More	47.7
Same	43.2[a]
Less	9.1
Total	100.0

[a]Includes clients with no income at acceptance and/or followup.

We are aware that the earning capability for the visually handicapped is generally not as high as for those without a visual handicap. Even though many clients had increased income, the amount of their income was low. The following table shows the income range of clients in our sample who were successfully rehabilitated.

Weekly income range	Percent of clients in income range at Acceptance	Closure	Followup
$ -	78.3	46.7	56.6
1 to 25	8.3	10.0	7.5
26 to 50	6.7	11.7	7.5
51 to 75	3.3	8.3	11.3
76 to 100	1.7	13.3	7.6
101 to 125	1.7	6.7	3.8
over 125	-	3.3	5.7
	100.0	100.0	100.0

Based on the table, only 3 percent of the clients had incomes in excess of $75 per week. At closure, however, 23 percent of the clients were making more than $75. At our followup, 17 percent of the clients were making more than $75 per week.

A further indication of the clients' economic dependence is shown by the number of clients receiving public assistance. In our sample of successful clients, 23 percent were on public assistance at acceptance, 18 percent were on public assistance at closure, and 21 percent were on public assistance at followup. One client began receiving public assistance while receiving program services; two others began receiving increased payments during the rehabilitation process. For those on public assistance both at acceptance and closure, only one was receiving reduced payments at closure.

STATE COMMENTS

The two States which served blind clients under separate agencies offered the following comments on our draft report.

Michigan

The Director, Office of Services for the Blind, Department of Social Services, stated that he concurred with many of the (program's) shortcomings we discussed in the report. He also stated that the report cited problem areas which his staff had been working on and that the report would be useful to validate their conclusions. He also expressed an awareness of the need to serve more people and provide a total rehabilitation service.

North Carolina

The Executive Director, North Carolina State Commission for the Blind, stated that counselors sometimes close cases because they are pressured for rehabilitations. He stated that, although this goal-directed behavior and method of evaluating the effectiveness of the counselor has strengths, it also has weaknesses. He acknowledged a need for a way to classify case closures according to the types of services given by the counselor.

He stated also that less severely handicapped cases are often accepted for services because the more difficult cases cost more to rehabilitate and because counselors are not able to rehabilitate as many of these cases each year. He suggested that this weakness could be offset by determining the caseloads--considering the disabilities served by the counselors--and securing additional counselors if necessary.

The Director stated that the agencies for the blind, using the single disability approach, have demonstrated that the severely handicapped can be rehabilitated.

CHAPTER 5

POTENTIAL FOR REFINING STATISTICS RELATING TO PROGRAM ACCOMPLISHMENTS AND CASELOAD

RSA's statistics could be refined to provide better measures of program accomplishments and better disclosure of caseload data. Although the problems involved were not critical, refinement of this data would provide a better basis for evaluating accomplishments under the program and a more reliable basis for planning.

CLIENTS SERVED ANNUALLY

RSA reported that 876,000 clients were served during fiscal year 1970. We noted that some of the cases in our sample were in an active status for several years--sometimes without receiving any services or contact from the counselors. Therefore, the number of clients reported as served during a given year includes some of the same clients reported served in earlier years and also includes some clients who did not receive any services. We found that 50 percent of the general agency cases in our sample had been open for more than 1 year and that 25 percent had been open for more than 2 years. From our sample of blind cases, we found that 67 percent of the cases had been in an active status for over 1 year.

Several of the cases remained open for long periods because of poor case management by counselors. Others remained open for several years for justifiable reasons, such as attendance in college.

SERVICES PROVIDED TO MANY CLIENTS WERE NOT EXTENSIVE

RSA annually reports the number of rehabilitations and the number of persons that received particular types of services. RSA does not report the number or combination of services that individual clients received.

Many persons require only one type of service and that one service might be substantial for those persons. In about one-half of the 410 successful cases in our sample, only one service was provided. The following table shows the number of general agency clients that received only one service.

Type of service	Clients
Counseling and guidance	38
Diagnostic evaluation only	17
Medical	108
Training	19
Placement	1
Books and tools	3
Total	189

Diagnostic evaluation is required of all clients to determine eligibility for the program. Therefore, we did not consider this as a service unless it was the only service provided. We considered counseling and guidance as a service only in those cases in which there were indications that substantial counseling services had been provided.

In the following cases, the clients received only one type of service:

--A 27-year-old mother of three children was accepted for services by the Oklahoma agency in April 1969. The rehabilitation plan provided for dental work and eyeglasses. The medical services, which cost $520, were completed and, in April 1970, the case was closed as a homemaker.

--An employed 19-year-old male was accepted for services by the Michigan agency in November 1968. The rehabilitation plan was to assist the client in paying tuition for training at an electronics school. The training was completed in October 1969 at a cost of $225. The training enabled the client to change from sembly work to electronic installation work with the same employer.

We believe that RSA's annual accomplishments and workload would be more clear if statistics showed (1) the number of cases open longer than 1 year, (2) the number of clients who were served during the year, (3) the number of clients who did did not receive services or counselor contacts during the year, and (4) the various combinations of services that were provided to rehabilitated clients.

CHAPTER 6

CONCLUSIONS, RECOMMENDATIONS, AND AGENCY COMMENTS AND ACTIONS

CONCLUSIONS

Historically, the number of persons needing vocational rehabilitation services has far exceeded the number of persons that have been served under the program. RSA's resources have not been sufficient to cope with the ever-increasing universe brought on, in part, by legislation which has authorized services to additional groups of handicapped persons and additional types of services.

In recent years, rehabilitations have rapidly increased and are approaching RSA's estimates of the increment. Past trends and RSA's estimated future rehabilitations indicate that the number of rehabilitations may exceed the increment in 5 to 10 years and that the universe will then begin to diminish. Rough estimates of the universe and the increment are available; however, better estimates are needed.

RSA has studies underway to better estimate the universe. However, determining the size and characteristics of the increment is perhaps as important as having a firm estimate of the universe because the universe will not begin to diminish until rehabilitations exceed the increment. Thus, decisions regarding the size and direction of the program and resources needed become increasingly important. In planning the future growth of the program, RSA should consider the extent to which the universe of need might be met through other Federal programs.

Most clients received benefits in the three States reviewed, but the effects of these benefits were in many cases limited and not long-lasting. Some clients may have improved or progressed to the extent of their individual capability as a result of the services received. Other clients, although they might have been assisted to a considerable extent, needed additional services. Even though large and increasing numbers of persons are reported rehabilitated, this does not necessarily mean that these persons are or should be considered capable of becoming self-sufficient or competitive with nonhandicapped persons.

Some of the clients rehabilitated might not be those who most need the program in view of (1) the large universe of need and (2) the minor nature of services provided to some successful clients. We question whether funds should be expended on certain types of cases, such as those involving tuition fees for college or medical services only, without close examination in the acceptance process. Some of these persons might be able to afford the cost of these services, and others might be eligible for other sources of funds.

HEW has not required the States to establish a continuing system of followup with all clients after their cases have been closed. Our review of sample cases in three States indicated that a continuing system of followup, which could include the use of questionnaires, could help all States to evaluate the program's long-range effectiveness in helping each handicapped person and in identifying unmet needs.

Disclosure and analysis of additional information regarding not only the number of clients rehabilitated annually but also the number and the combinations of services rendered to these clients would provide a better basis for evaluating accomplishments of the program and a more reliable basis for planning.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

We recommend that HEW, in addition to studying the total universe, obtain a better estimate of the annual increment. Such refinements, in our opinion, are necessary in planning the program's proper rate of growth to provide for a systematic reduction of the universe of need and to assess the total impact of the program and its effect on specific groups. In planning the future growth of the program, HEW should consider the extent to which needs might be met through other Federal programs.

To obtain better information on the effectiveness of the program in helping each handicapped person, HEW should require the States to institute a continuous followup system, perhaps through use of questionnaires, with all clients whose cases have been closed.

Because some of the persons in our sample might not be those who need the program most, we recommend that HEW

impress upon the States the need for closely examining--during the acceptance process--the circumstances of those persons who apparently require medical services only or tuition for college so they could direct the program toward those persons who have the greatest need for vocational rehabilitation services. These circumstances should be examined closely because

--perhaps the person could afford the services or other sources of support may be available for assistance in meeting college costs and

--perhaps the person could afford the services or other medical programs might be available.

Such examinations might provide a basis for better use of resources and might reduce the total universe of need which the program should attempt to serve.

We recommend also that HEW refine its annual data to show:

--The number of cases that have been open longer than 1 year.

--The number of cases for which services were not provided or contacts were not made during the year.

--The various combinations of services that were provided to rehabilitated clients.

We believe that such refinements would provide the Congress and the public with a better perspective of program accomplishments.

AGENCY COMMENTS AND ACTIONS

HEW advised us by letter dated December 22, 1972, that it generally agreed with our conclusions and believed that the program could be improved by implementing our recommendations.

HEW agreed that better estimates of the annual increment would be beneficial. HEW advised us that in the past its efforts to obtain estimates had been hampered by the lack of

basic information on which estimates could be predicated. HEW pointed out that various studies are underway which will cast additional light on the total universe and annual increment. HEW stated that it will work closely with the agencies and institutions making these studies.

HEW also stated that consideration should be given to how the universe of need might be met by other Federal programs when planning the growth of the vocational rehabilitation program. According to HEW, data currently is inconclusive to assess the effect other Federal programs have in serving the universe of handicapped persons but it will attempt to obtain the necessary data.

HEW agreed that continuous followup is needed to provide information on program effectiveness; it is arranging a linkage between the Social and Rehabilitation Service's data system and that of the Social Security Administration to monitor the earnings of former clients. This arrangement will make it possible to study earnings trends of program clients, make cost-benefit analyses, and evaluate program effectiveness in each State agency. Program effectiveness reviews made by State agency and HEW evaluation groups are also expected to help determine how well clients' needs have been met.

HEW agreed to impress upon the States the need for examining, during the acceptance process, the circumstances of persons who apparently require medical services only or tuition for college to determine whether payment for the services needed could be provided from other sources. HEW stated that this matter had been discussed with the States and that additional guidelines will be prepared and forwarded to the States within the next 6 months.

HEW stated that it plans to refine its current data system to include in its statistics the data requirements covered in our recommendation.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

DEC 22 1972

Mr. John D. Heller
Associate Director
United States General Accounting Office
Washington, D. C. 20548

Dear Mr. Heller:

The Secretary has asked that I answer your letter of May 11, 1972, in which you request DHEW opinions and comments on the GAO Draft Report "Effectiveness of the Vocational Rehabilitation Program in Helping the Handicapped." Attached are the DHEW comments to this draft report.

We appreciate the opportunity to make comments to this report in draft form.

Sincerely yours,

James B. Cardwell
Assistant Secretary Comptroller

Enclosure

APPENDIX I

HEW's Response to GAO's Draft Report, Entitled "Effectiveness of the Vocational Rehabilitation Program in Helping the Handicapped"

Recommendation

HEW should:

-- In addition to current studies of the total universe, obtain better estimates of the annual increment to provide a basis for planning the proper rate of growth in rehabilitations and funding that would reduce the universe of need and would be helpful in assessing the total impact of the program and its effect on specific groups.

HEW Response:

We concur with the recommendation that better estimates of the annual increment would be beneficial. Heretofore, however, we have been handicapped in the derivation of such data as a result of a lack of basic information on which such estimates could be predicated. Recently, however, the Social Security Administration (Survey of Recent Health and Work Adjustments - 1971), Ohio State University under an SRS-RSA sponsored research grant extending over a 5-year period through June 30, 1976, the Bureau of the Census via information on disability collected as a result of the 1970 Decennial Census and other sources have embarked on various studies which will cast additional light on the total universe and annual increment of disabilitants that may be eligible for services. We will work closely with these agencies and institutions in an endeavor to refine and obtain the annual increment of disabled individuals eligible for VR services under the VR Act.

Recommendation

HEW should:

-- Consider the extent to which the universe of need might be met through other Federal medical, education, and manpower programs when planning the future growth of the vocational rehabilitation programs.

HEW Response:

We concur with the recommendation that HEW should consider the extent to which the universe of need might be met through other Federal medical, education and manpower programs when planning the future growth of the vocational rehabilitation programs.

Currently the interaction and impact of these activities upon the VR program is extremely difficult to assess. We have found that various educational, training and similiar types of programs appear to tend to expand the universe by bringing to light disabled individuals who otherwise might not have come to our attention. We have also found that Federal medical and health programs have tended to reduce the number of disabled individuals who without such services, might have lapsed into conditions rendering them eligible for vocational rehabilitation.

Our data at the current time is inconclusive as to the overall effect these programs may have in serving the universe of disabled individuals. HEW will take the necessary action to obtain the needed data to determine the effect these programs may have on the universe when planning the future growth of the VR Program.

Recommendation

HEW should:

-- Institute a continuous follow-up system with all clients whose cases have been closed to provide management with continuing information regarding the program's long-range effectiveness and to provide an additional means through which unmet needs may be identified.

HEW Response:

HEW is in agreement with the need for an effective follow-up system which would provide management with continuing information on program effectiveness and the identification of unmet needs.

The Social and Rehabilitation Service is now in the process of arranging a linkage of its data system to that of the Social Security Administration. Through Social Security Account numbers, the earnings of former State VR agency clients, whether rehabilitated or not, can be followed through the years. These earnings in any future year will be contrasted with earnings in the year before VR referral, earnings in the year of closure and with case service costs across a wide variety of personal and program related characteristics. To comply with Social Security Administration regulations which prohibit disclosing information on individuals within its system, this linkage will operate strictly on the basis of statistical aggregates and not in terms of data for individuals. This will provide extremely valuable data in the determination of long-range program effectiveness in each State agency. Management implications will be enormous.

Other important sources of program effectiveness data are surveys conducted by program evaluation units of State agencies, HEW Regional and Central Office program evaluation activities, studies by HEW Auditors and the GAO. The surveys and studies will include an analysis of clients closed, to determine whether the services provided by the State agency have met the needs of the client, and if not, how the State can improve the existing rehabilitation systems to fulfill needs.

Recommendation

That HEW should:

-- Impress upon the States the need for closely examining -- during the acceptance process -- the circumstances of those persons who apparently require medical services only or tuition for college to determine whether the person could pay for the services, or whether the services could be obtained from other programs or sources.

HEW Response:

We concur with this recommendation. This matter has been discussed with the States at Regional Workshop Conferences and Instructions for the Program and Financial Plan for the VR Program emphasize that the States should make maximum use of Medicaid resources for restorative health services and the full use of remedial and vocational education, WIN and other related training and community resources. Additional guidelines on this issue will be prepared and forwarded to the States within the next 6 months.

Recommendation

That HEW should:

-- Refine its annual data to show the portion of the caseload that has been open longer than one year;

The number of cases for which services were not provided or contacts were not made during the year; and

The various combinations of services that were provided to rehabilitate clients.

HEW Response:

HEW plans to revise its current data system. The revised system when implemented will contain the data requirements covered in this recommendation.

[See GAO note.]

GAO note: HEW made other general comments which were considered in revising this report.

APPENDIX II

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Caspar W. Weinberger	Feb. 1973	Present
Frank C. Carlucci, acting	Jan. 1973	Feb. 1973
Elliot L. Richardson	June 1970	Jan. 1973
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968
ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE:		
Philip J. Rutledge, acting	Feb. 1973	Present
John D. Twiname	Mar. 1970	Feb. 1973
Mary E. Switzer	Aug. 1967	Mar. 1970
COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION (note a):		
Corbett Reedy, acting	Jan. 1973	Present
Edward Newman	Oct. 1969	Jan. 1973
Joseph V. Hunt	Apr. 1968	Oct. 1969
Joseph V. Hunt, acting	Oct. 1967	Apr. 1968
Mary E. Switzer	Dec. 1950	Aug. 1967

[a]In August 1967 the Vocational Rehabilitation Administration became the Rehabilitation Services Administration of the Social and Rehabilitation Service.

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